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MEMORANDUM FOR: Chief, Management Staff

ATTN:

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FROM: Deputy Comptroller

SUBJECT: Common Employee Index Number

1. The advantages of having a common employee index number for use by all components of the Agency again became evident during the development of procedures by this Office for the preparation of Forms W-2, Withholding Tax Statements, to include home addresses. Common reference numbers would have been very helpful in correlating by machine methods employee addresses from personnel locator records with payroll records. The correlation was possible for vouchered funds employees only by cross-referencing the personnel number and the payroll number by creating a special reference file. Considerable time and effort was necessary to establish the cross-reference file.

2. The previous proposal of a common employee index number has been reviewed. It is believed that a modification will result in a method which would have the obvious advantages, but without the security problems and disadvantages which contributed to the prior proposal being set aside. It is therefore recommended that the possibilities of utilizing a common employee index number be evaluated as proposed herein.

3. The proposal as recommended incorporates the following features:

a. The employee identification number assigned each employee by the Office of Personnel would be adopted for use for both control and reference purposes by Agency components where found to be practicable. The personnel number consists of 6 digits, the last five of which represent the actual number. The first digit is a code which indicates whether the employee is assigned to vouchered or confidential funds payroll. Thus, employee index number 123456 indicates that employee number 23456 is currently assigned to vouchered funds. The number would become 523456 should he be transferred to confidential funds. The employee will always retain his basic identification number 23456 for any staff employee type (including status as an inter-
agree). Should he terminate staff employee status for any reason and

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later be reemployed as a staff employee, his basic number 23456 would again be used.

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c. The common index number for staff employees would be used in conjunction with most all references to an employee's name on classified records. It would be used on personnel documentation, reports, payroll records, accounting records, claims, etc. The common index number has a potential of being extended for use by many Agency components which are now using some other form of employee identification number.

d. The index number would not be used in connection with a true name on unclassified forms, correspondence, cables, or other written or graphic material which would go outside of the Agency. By "outside" of the Agency is meant to an individual, firm, or organization, other than an Agency officer or office. The number would be used with the pseudonym in classified correspondence, cables, reports, etc., to and from Agency offices outside of Headquarters, both domestic and overseas. Use of the number on various classified reports and in classified communications is one of the major advantages of the proposal.

4. Administration of the proposal would be facilitated by incorporating the following procedures:

a. Prenumbered personnel record cards would be prepared by Machine Records Division in units as required. Arbitrary blocks of numbers would be used but not necessarily in regular sequence. Use of each series of numbers would be controlled by MRO. This would avoid duplication. Assignment in this manner would minimize the possibility of determining the strength or rapidity of recruitment from current index numbers.

b. The blocks of prenumbered personnel cards could be shuffled to any extent desired and parceled out to all individuals or components in the Office of Personnel responsible for assigning index numbers. The prenumbering of the cards would eliminate the possibility of assigning the same number to more than one individual. It would also expedite assignment since numbers would be available in more than one location rather than being restricted to a log or roster in one component.

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c. Alphabetical and numerical lists of employees would be prepared from number files and furnished by HRD to Agency components requiring such lists for reference purposes.

5. The proposal would have the following advantages:

a. The wide variety of numbers now in use throughout the Agency and the labor required to maintain the separate rosters of those various systems would be substantially reduced.

b. Labor involved in the biannual reassignment of payroll numbers in the Fiscal payroll in order to reestablish the alphabetical sequence of the names would be eliminated.

c. Errors due to similarity of names, misspelled names, identical names, or illegibly written names would be eliminated. Name and number provide a better control than name alone.

d. Identification of staff employees' true names from communications and reports using pseudonyms and the index number from field stations would be expedited at Headquarters, which in turn would facilitate disposition of the document for necessary action.

e. Correlation by machine process would be possible between payroll records and personnel records. Reports of certain types would be possible which cannot now be obtained by machine or are far more expensive than they would be if a common number were used. Such reports would include insurance, training, passports, badges, security categories, etc.

f. Correlation of payroll records and personal address records would be possible to place addressees on W-2's at the end of the tax year without the use of a cross-reference file.

g. Consolidation of staff employee pay and advance account records would be possible by machine to summarize outstanding indebtedness or credits due an employee for clearance purposes when an employee resigns or transfers between funds.

h. Consolidation of retirement records could be considered for staff employees carried on vouchered and confidential funds. One posting would be possible to the Form 2806, Individual Retirement Card, for employees carried on both funds during the same year. At present, each payroll office maintains its own record and makes a separate posting each time an employee transfers between funds.

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1. Consolidation of tax withholding records would be possible for staff employees. One W-2 could be issued upon separation or at the end of the tax year even though the individual employee had transferred between vouchered and confidential funds. Each payroll office issues a W-2 under present procedures upon transfer of an employee. As a result, an employee may receive two (2) W-2's for the same tax year.

6. Some disadvantages are obvious and should be considered in evaluating the proposal.

a. The changeover to a common employee index number would impose a considerable task on the staff of the Office of the Comptroller and elsewhere. Overtime and probably additional temporary clerical assistance would be required until the conversion could be completed.

b. The change from an alphabetical arrangement of payroll records to a strict numerical arrangement would result in all Time and Attendance Reports and paychecks being arranged in number order (within each allotment group) instead of in an alphabetical order for distribution at the operating level. This number sequence may require more time in some components in order to arrange the reports and/or pay checks for distribution.

7. The disadvantages recognized are discussed in the following paragraphs:

a. It is recognized that any major conversion from one method to another often causes extra work. However, the extra work is only of current significance, since once the records were completely changed, the advantages of continuing economies resulting from the new procedures would govern.

(1) The vouchered funds payroll is scheduled to make its biannual change to new numbers at the beginning of 1958 calendar year. Thus, the change to the proposed system at that time would make little difference in the total work load. The majority of the work load would come in the Finance Division where both payroll and accounting records would require conversion. In addition, there would be the problem of notifying the field stations to adopt a new number as of a given date to avoid confusion of numbers. The Machine Records Division with sufficient advance notice can prepare master

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lists of employees showing the present payroll number and the personnel number to be adopted which would serve as the basis for conversion. It is also suggested that, if desired, a member of the Technical Accounting Staff could be detailed to assist in planning and effecting the changeover in the Finance Division.

b. The more important disadvantage is the extra work which the conversion might cause in a limited number of offices as a result of having to sort checks and Time and Attendance Reports from a numerical sequence to an alphabetical sequence for convenient distribution. An examination of the allotment groups of vouchered funds payroll for one period indicated that only 15 groups, or 10 percent of the total had more than 151 employees, of which the largest two groups included 331 and 422 employees. Only nine percent of all the allotment groups had between 100 and 150 employees, while 81 percent of the groups had less than 100 employees. Thus, any appreciable increased workload imposed by such a changeover would be limited to comparatively few administrative officers and time and attendance clerks. The majority of them would have only a nominal change in their workload, if any. It is presumed that some kind of rearrangement of reports and checks is made under current procedures to segregate them by work units within an allotment group and that this practice would be continued under any applicable procedure. Inexpensive sorting devices or aids undoubtedly facilitate whatever sorting is necessary in any component where there is a large number of employees. The possibilities of sorting the payroll records by machine to an alphabetical arrangement prior to preparation of the Time and Attendance Reports and checks were considered but deemed impracticable because of the large number of cards involved and the large number of sorts which would be required.

8. It is recommended that the modified proposal as stated herein for a uniform employee index number be evaluated by your Office for the purpose of determining its feasibility from an overall Agency viewpoint. We shall be glad to have a member of the Technical Accounting Staff work with you in connection with your review of this matter.

9. It is requested that prompt attention be given to your review of this matter so that if it is concluded to adopt the proposal it can be implemented as of the beginning of calendar year 1958. This involves, of course, the necessity to prepare and issue appropriate detailed instructions well

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in advance of the current year-end to all headquarters and field components affected.

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TAS/ESS/ck (4 June 1957)

Distribution:

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